

0311 - Disability Determination

Final Progress Report for the reporting period July 1, 2003 - June 30, 2004

Section I. Agency Update and Assessment

1. Emerging Issues at the Federal (National) or State level affecting the agency.

An emerging national issue affecting Disability Determination is the migration to a fully electronic or paperless case processing system. The current disability process exists in a paper-laden environment consisting of forms, medical records and other material which is costly to maintain, store, transport and reconstruct. The electronic migration will mean that Social Security records will be maintained in an electronic environment that is entirely paperless. Converting to an electronic format will require that the agency store medical and other evidence in an electronic format, or that paper evidence will be digitally scanned/imaged and indexed. We will be negotiating with large copy services and with medical providers to create an electronic record, either by scanning their paper or by creating an extract of their electronic record. For providers who send paper records, we will be asking that they mail records directly to a contractual agent who will scan and index records for inclusion into the electronic folder.

2. Status of any new initiatives funded from General Revenue or General Improvement funds in the 2003 Legislative Sessions and other changes made through General Legislation.

None

3. Discuss significant factors internal and external to the agency affecting agency performance.

The only significant factor affecting the agency is the migration to a fully electronic case processing system. This transition by Agency staff, while maintaining management of the current workload process, will require skill enhancement and development.

4. Provide comments on the usefulness and reliability of performance measures.

Performance measures are useful in that they allow the agency to establish whether the anticipated goals are being met. If goals are not being met, performance measures help identify areas in need of corrective action.

5. Discuss significant uses of line item flexibility in this report period (agencies operating under Performance-Based Appropriations only).

Line Item flexibility is the answer to those plans that do not materialize as anticipated. While there is not a significant chance that this flexibility will be used by the agency, its availability is appreciated.

Section II. Performance Indicators**Program 1:** Disability Determination

Goal 1: To determine if applicants for disability benefits meet the criteria for eligibility

Objective 1: To make determinations for disability benefits under the Title II and XVI of the Social Security Act

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Increase Adjudication Accuracy Rate	95%	94.50%	
2	Reduction in application processing time	85 days	87.9 days	
3	Disposition of cases vs. number of cases received	96%	97%	
4	Percent of determinations changed through the reconsideration process	15%	15.10%	

Comments on performance matters related to Objective 1:

All targets met

Program 1: Disability Determination

Goal 1: To determine if applicants for disability benefits meet the criteria for eligibility

Objective 2: To investigate suspected cases of fraud or abuse

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY Actual</u>	<u>Comments</u>
1	Number of suspected fraud cases investigated	80	64	20% variance on achieving target, see comment

Comments on performance matters related to Objective 2:

The initial annual target was unreasonably high.

Program 2: Administration Program

Goal 1: Provide administrative direction and support to insure that department programs meet their objectives and performance targets

Objective 1: To provide for general operations support and overhead costs not treated as direct costs in other programs

Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	% of agency performance objectives and targets met	87%	100%	
2	% of agency staff and budget in the Administrative Program compared to total agency positions and budget	18%	13.50%	*See comment below
3	Agency information technology budget as a percent of total agency budget	1%	N/A	**See comment below
4	Number of prior year audit findings repeated in subsequent audit	1	0	

Comments on performance matters related to Objective 1:

*Percent of Administrative Budget to total Agency Budget was targeted at 18% because this is the rate the agency charges the Social Security Administration. However, because of differences in the classifications of costs, for State budgetary purposes the percent turns out to be 13.5%.

**This measure is not applicable because the agency has no technology budget because IT equipment is provided directly to the agency by the Social Security Administration.

Arkansas Teacher Retirement System
Final Progress Report

Section III. Fiscal Summary
for the reporting period July 1, 2003 - June 30, 2004

Program 1: Agency Operations Administration

Commitment Item	Legislative Recommendations Budget Manual - FY04	FY04 Expenditures
Regular Salaries	\$ 2,210,096.00	\$ 2,020,177.44
Extra Help	\$ 105,000.00	\$ 58,539.70
Personal Services Matching	\$ 666,970.00	\$ 636,078.66
Overtime	\$ 150,000.00	\$ 50,600.40
Maintenance and Operations		
Operating Expenses	\$ 2,935,257.00	\$ 2,035,792.42
Conference Fees & Travel	\$ 42,759.00	\$ 16,450.94
Professional Fees & Services	\$ 170,304.00	\$ 4,027,633.42
Capital Outlay	\$ 75,000.00	\$ 27,254.59
Data Processing	\$ 7,550,600.00	
Grants		
Professional Services	\$ 250,000.00	
Investment Council	\$ 6,744,500.00	
Property Management	\$ 500,000.00	
Refunds / Reimbursements	\$ -	\$ 665,986.17
Total	\$ 21,400,486.00	\$ 9,538,513.74

Funding Source	Legislative Recommendations Budget Manual - FY04	FY04 Receipts
General Revenue		
Federal Revenue		
Special Revenue		
Trust Revenue	\$ 21,400,486.00	\$ 9,538,513.74
Other Revenue		
Total	\$ 21,400,486.00	\$ 9,538,513.74

Section III. Fiscal Summary

Program 2: Administration & Customer Support Services Program

Commitment Item	Legislative Recommendations Budget Manual - FY04	FY04 Expenditures
Regular Salaries		
Extra Help		
Personal Services Matching		
Maintenance and Operations		
Operating Expenses		
Conference Fees & Travel		
Professional Fees & Services		
Capital Outlay		
Data Processing		
Grants		
Benefits	\$ 585,500,000.00	\$ 407,174,020.90
Refunds / Reimbursements	\$ -	\$ 3,355,862.27
Total	\$ 585,500,000.00	\$ 410,529,883.17

Funding Source	Legislative Recommendations Budget Manual - FY04	FY04 Receipts
General Revenue		
Federal Revenue		
Special Revenue		
Trust Revenue	\$ 111,500,000.00	\$ 86,109,403.81
Other Revenue	\$ 474,000,000.00	\$ 324,420,479.36
Total	\$ 585,500,000.00	\$ 410,529,883.17